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TIME FOR A CHANGE:

THE COSTS AND BENEFITS OF
THE U.S. RELATIONSHIP WITH ISRAEL

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Containment evaporated as the foundation of American foreign policy with the end of the Cold War. Washington is searching for a replacement -- for a strategy which will serve American interests under current conditions of reduced threat and limited resources. Domestic affairs have taken precedence over foreign policy, the economy over defense. The government is pinching pennies -- and raising taxes -- to make up for quadrupling the national debt in a score of years.

As we adjust to the straitened circumstances of the post-containment era, it is appropriate to reevaluate all aspects of our foreign policy, particularly those which are most costly. We need to ask whether past programs serve American interests, whether they produce benefits commensurate with their costs, and whether we can afford to maintain them in the future. This paper considers the costs and benefits of support for Israel from the perspective of American interests.

Israel has long been the main recipient of American foreign aid, both military and economic. It now receives 22 percent of our foreign assistance. This support far exceeds what we provide to poor but important countries like South Korea, Turkey, Panama, and Mexico. In Israel, American aid has contributed to a relatively high standard of living and built a regional military power. By serving as Israel's main foreign backer, the United States has identified itself closely with Israeli actions and policies.

One would expect exceptional benefits to accrue to the

United States from the extraordinary level of aid being provided. This, however, is not the case. The cost of supporting Israel is not matched by commensurate strategic, economic, or moral advantages. If anything, these intangible factors multiply the costs rather than providing offsetting benefits. This is particularly true because of changes in the international situation:

- the end of the Cold War,
- growing American dependence on imported oil,
- the growth of Islamic extremism.

Israel is no longer a strategic asset in the containment of communism -- its main value to the United States. By backing Israel, the United States alienates much of the Arab world, which holds two-thirds of the earth's proven petroleum reserves. As a result, we have already suffered an oil embargo, higher oil prices, and lost economic growth. Close identification with Israel has also made American citizens and businesses targets of Arab terrorism. In the future, the Israeli connection could draw the United States into a costly war, as it almost did in 1973.

Patronage of Israel identifies the United States with policies of forcible territorial expansion, ethnic discrimination, and denial of political rights which are antithetical to our values. Israeli's claim to democracy is vitiated by the denial of political rights to the one million Palestinians in territories which Israel seized twenty-five years ago. Support for Israel undercuts American efforts to encourage

ethnic tolerance in the former Soviet Union and Yugoslavia. Furthermore, Israeli treatment of the Palestinians fuels the growth of Islamic extremism, which threatens both moderate Arab governments and Western interests.

It is by no means the case that the Palestinians are right and Israel is wrong. Rights and wrongs in the Middle East are thoroughly mixed, with each side sharing blame and neither deserving credit for superior virtue. Prejudice against Arabs is as reprehensible as anti-Semitism. Morality should incline the United States to endorse neither one side nor the other.

From the standpoint of American security, American prosperity, and American values, Israel is a liability. Israel's Arab opponents have lost their Soviet patron, and it is time for the United States to disengage from Israel as well. Here, as elsewhere, it is time for a change -- a change that will require political courage.

Political vs: Foreign Policy Considerations

President Truman's support for creation of a Jewish state in Palestine was controversial. Great Britain controlled the area, but it was determined to surrender the mandate. Zionists sought to create a Jewish homeland, even though the population was largely Arab. The Zionists subjected Washington to intense pressure on behalf of a plan to divide Palestine into Jewish and Arab states.

Truman's foreign policy team split with his domestic advisers. Secretary of State George Marshall, Secretary of War

James Forrestal, the Joint Chiefs of Staff, and the architect of containment, George Kennan, all expected serious damage to American relations with the Arab world if we became Israel's sponsor. At one meeting, Marshall told Truman to his face that the arguments of domestic policy adviser Clark Clifford in favor of early recognition of Israel were based on:

"domestic political considerations, while the problem which confronted us was international. I said bluntly that if the President were to follow Mr. Clifford's advice and if in the elections I were to vote, I would vote against the President."¹

Kennan, then director of State's Policy Planning Staff, forecast that political pressure on the American government would continue to "a point where we would finally hold major military and economic responsibility for the indefinite maintenance by armed force of a status quo in Palestine fiercely resented by the bulk of the Arab world."² He was in favor of resisting that pressure sooner rather than later.

Facing a close election in 1948 and understandably sympathetic to the victims of the Nazi Holocaust, Truman sided with his political advisers. He seemed to feel that the potential problems had been exaggerated. For example, he reassured the King of Saudi Arabia about the benign nature of the proposed Jewish state:

"We would be firmly opposed to any solution of the Palestinian problem which would permit a majority of the population to discriminate against a minority on religious, racial or other grounds....I am convinced, furthermore, that the responsible Jewish groups and leaders interested in developing the Jewish National Home in Palestine have no intention of expelling now or at a later date the indigenous inhabitants of that

country or of using Palestine as a base for aggression against neighboring Arab states."³

Initial moral and diplomatic support for Israel was to grow over the years into substantial military and economic assistance. With benefit of hindsight, it is now possible evaluate whether support for Israel has served American interests.

Benefits: Moral and Real

American interests in dealing with any country fall into three broad categories:

- national survival,
- prosperity, and
- the propagation of American values, such as democracy, pluralism, and respect for human rights.⁴

Observers of the U.S.-Israeli relationship place the benefits for the United States into the first and third categories only. They find "moral" benefits predominating in the early years, with increasing "real" benefits as Israel proved to be a strategic asset in containing communism. In addition, some argue that the United States gains from supporting Israel by protecting its past investment and fulfilling a "moral obligation."

Harvard professor Nadav Safran emphasized the moral side of the equation. He thought the United States supported Israel in part because of sympathy for those fleeing persecution and seeking national sovereignty. In addition, Americans admired the pioneering spirit of the Israelis. Perhaps most important, Israel shared with the United States a commitment to democracy.

Safran differentiated these moral bonds from "real" American interests elsewhere:

they would not include any 'real' mutual interests between the two countries such as the oil bond between the United States and other Middle Eastern countries, the common interest of the United States and Turkey in defense against traditional Russian ambitions in that area, the links of contiguity, economic interest, and hemispheric defense with the countries of Latin America, and so on.⁵

It was not that Israel had nothing "real" to offer the United States. The problem was the attitude of the Arabs. Safran concluded that Israel's geographic position "might have been of strategic value to the United States were it not that her isolation by Arab hostility considerably discounted the usefulness of that position."⁶

In spite of Arab hostility, the strategic rationale for aid to Israel grew in importance after the 1967 war, when the relationship acquired a new dimension -- strategic partnership against the Soviet Union. The Soviet Union hastened to rearm the Arab states. In contrast, Israel's main military supplier -- France -- refused to continue the relationship after the war.

Impressed with Israel's military prowess and chary of growing Soviet influence in the region, the Johnson Administration authorized the sale of advanced aircraft to Israel and began an exponential increase in U.S. support. A.F. K. Organski explained U.S. support for Israel in terms of this strategic partnership:

U.S. assistance to Israel has been an essential component of the maximalist strategy that has sought to repulse any expansion, through proxies, of Soviet power and influence in the Middle East. U.S. assistance has been meant to raise

the effectiveness of Israel's military power as an obstacle to such expansion.⁷

The strategic partnership against the Soviet Union became even more important during the Reagan Administration, according to Stuart Eizenstat, who had advised President Carter on domestic policy. Eizenstat argued that the financially-strapped United States needed more than ever "countries like Israel which are prepared to use their strong defense and intelligence capabilities for the benefit of the United States."⁸

In addition to these moral and strategic benefits to the United States, some argued that the United States should support Israel merely in order to protect the investment it has made in the past. Thus, Gabriel Sheffer and Menachem Hofnung of Jerusalem's Hebrew University described the United States as being caught in an "investment trap" -- perhaps by Israeli design:

As the amount of aid grows, so does the U.S. stake in protecting its previous investments. Put in more abstract terms, one of the dependent state's interests is to lead the superpower into an 'investment trap.' The United States appears to be entangled in such a trap.⁹

A similar line of reasoning held that the United States had a continuing "moral" obligation to Israel because it assumed an obligation in the past. Sheffer and Hofnung embraced this logic even as they pointed out that it had become more difficult to sustain:

there has been a certain amount of erosion recently in their [Israeli policymakers'] ability to communicate the message that America's moral obligation to Israel should take precedence over cold calculations concerning the possible economic, political, or strategic benefits of an evenhanded

policy [toward Israel and the Arab states].¹⁰

They implied that a cold calculation of American interest would disadvantage Israel.

Before making such a calculation, we need to consider the costs of the relationship, both financial and intangible.

Financial Costs: The Main Recipient of Foreign Aid

No country has received more American aid than Israel. Israel received thirteen percent of all American aid dispensed between 1946 and 1991.¹¹ It received as many dollars as all of Western Europe under the Marshall Plan, more than South Vietnam, more than Korea, and more than the 450 million people of sub-Saharan Africa. The following table shows economic and military aid to Israel through 1991:

U.S. AID TO ISRAEL (billions of dollars)	
Economic Assistance	19270.4
Loans	2009.9
Grants	17260.5
Military Assistance	31227.4
Loans	11212.5
Grants	20014.9
Total Economic and Military Assistance	50497.8
Loans	13222.4
Grants	37275.4
Other U.S. loans	899.0

Aid to Israel remained at low levels until the late 1960s, when the United States became a regular military supplier. In the aftermath of the 1973 war, the United States provided as much

military aid as in all previous years and started giving it in the form of grants rather than loans. Aid levels increased sharply after the Camp David peace accords in 1978, even as the American budget deficit grew. Both in the 1970's and 1980's, the U.S. Congress increased aid for Israel beyond amounts requested by the Administration. For fiscal year 1984, for example, the Administration requested 785 million dollars in economic assistance, and Congress approved 910 million.

Israel now receives twenty-two percent of all American aid. In 1991, for example, it received 1.85 billion dollars in economic assistance and 1.8 billion dollars in military assistance, for a total of 3.65 billion dollars -- all in the form of grants.

United States aid assumes enormous importance in view of the small size of the Israeli economy.¹² Israel had a population of about 4.7 million in 1992. If American aid had been distributed equally among the population, every man, woman, and child would have received about \$775. The CIA calculates that those men, women and children already have a per capita income of \$12,000 on a purchasing power parity basis.

The CIA estimates Gross Domestic Product in 1991 at \$54.6 billion, which makes American aid almost seven percent of Israel's entire output. Imports totaled \$18.1 billion in 1991, making American assistance twenty percent of the country's imports. Defense expenditures were budgeted at \$7.5 billion for 1992, making the 1.8 billion in American military aid roughly one

quarter of the Israeli defense budget.

The dollar amounts of American aid understate the cost to the United States because of the favorable conditions governing aid to Israel.¹³ For example, instead of having to spend military aid on American goods like other recipients, Israel can use U.S. aid to buy up to \$300 million from the Israeli defense industry. When Israel does buy American, the American suppliers are required to "offset" their sales to Israel by purchasing Israeli goods. Israel also has the rarely extended privilege of paying for American defense purchases in installments.

Whether the economic assistance money is spent wisely is entirely up to Israel. For other aid recipients, the U.S. Agency for International Development prepares program requests and monitors expenditures. There is, however, no AID mission in Israel. Economic aid is transferred immediately to Israel upon approval. The Israeli Ministry of Finance tells the United States through annual "Requirements for U.S. Aid" how much money it needs to cover anticipated shortfalls in foreign exchange.¹⁴ The overall picture is one of a relatively wealthy country heavily dependent on American grants, which are furnished in extraordinary amounts and under unusually favorable conditions.

Comparisons for Perspective

The following alternative expenditures illustrate the value of the more than three billion dollars which the United States gives to Israel each year:

- Less than ten percent of the aid to Israel would pay for

the \$300 million vaccination program which President Clinton has proposed for American children.

- Slightly more would pay off the roughly \$400 million which the United States owes the United Nations.

- Aid to Israel is more than twice the amount we are providing to ease Russia's transition to a democratic market economy. President Clinton has offered \$1.6 billion dollars for that purpose.

- Aid to Israel could pay for doubling the Head Start program for American pre-school children, which now costs \$3 billion per year.

The size of aid programs to other countries highlights how extraordinary our treatment of Israel has been.¹⁵ Countries which are more strategically significant and more economically deprived have received far less.

Let us look at two countries which the United States went to war to defend. The United States lost over 50,000 men in a lengthy war in South Vietnam, but Israel received more than twice as many dollars in aid than the Saigon government.

South Korea was invaded in 1950 and has remained in a high state of alert ever since, aided by American troops. The United States provided about 15 billion dollars in economic and military assistance between 1946 and 1991: Israel got over three times as much. Korea's population in 1986 was 41.5 million and its per capita income \$2370, compared to 4.3 million and \$6210 for Israel.

Turkey is a developing democracy where the United States has important strategic interests. A NATO member, bordering the Soviet Union and controlling the exit from the Black Sea, Turkey stood on the front lines in the Cold War. Its large army, drawn from a population of 51.5 million was tough and exposed. Per capita income was only \$1110 in 1986. The United States provided a total of 16.2 billion dollars in aid between 1946 and 1991, roughly one third of Israel's total. In 1988, when Israel received 3 billion dollars, Turkey got just over 500 million.

The Philippines used to be an American colony. The government fought a communist insurgency for much of the postwar period, and it hosted important American military bases. Per capita income was only 560 dollars in 1986. The Philippines received less than 7 billion dollars in economic and military assistance since the Second World War.

The story is the same if we consider a strategic country closer to home -- Panama, host to the canal linking the Atlantic and Pacific Oceans. With a per capita income one-third that of Israel, it received just over one billion dollars in aid between 1946 and 1991 -- one fiftieth of the Israeli total.

Mexico, with a still lower per capita income (\$1860 in 1986), shares a two thousand mile border with the United States. Israel is seven thousand miles away. Nevertheless, Mexico received only about four billion dollars in aid -- mostly loans - - during the postwar period.

Haiti, whose boat people try desperately to reach American

shores, had a per capita income of only \$330 in 1986 -- the lowest in the hemisphere. But the United States gave Haiti less than one billion dollars in aid since World War II.

The only country which approaches Israel in the amount of U.S. assistance is Egypt. With a per capita income of 760 dollars, it received about \$35 billion in American aid, much of it as a result of the Camp David peace accords. The United States, in effect, paid both Israel and Egypt to make peace, even though peace itself was very much in the interest of the nations directly involved.

The following table summarizes our assistance to these countries, all of which are important to the United States for one reason or another, such as shared values, strategic location, or a common military threat.¹⁶

VARIATIONS IN LEVELS OF U.S. AID

Country	Population	U.S. Aid	Per Capita Aid	Per Capita GNP
	(millions)	(millions)	(dollars)	(dollars)
-----	-----	-----	-----	-----
Israel	4.3	50498	11744	6210
Egypt	49.7	34175	688	760
Turkey	51.5	16215	315	1110
S.Korea	41.5	14875	358	2370
Philippines	57.3	6776	118	560
Panama	2.2	1068	485	2330
Haiti	6.1	861	141	330
Mexico	80.2	609	8	1860
-----	-----	-----	-----	-----

The table shows that Israel, which has a significantly higher per capita income, received far more assistance, both in absolute and per capita terms, over the period 1946-91. None of

the other countries received more than \$1000 in aid per capita: Israel received over \$11,000 per capita.

Economically, other important countries are in far greater need of assistance. The Carter Administration stopped economic aid to Tunisia when its per capita income reached \$1100 on the grounds that the money was needed in poorer countries. Israel's per capita income was \$6210 in 1986.

Militarily, Israel is no longer the underdog David against an Arab goliath. Losers of all five wars with Israel, the Arabs never did very well, even with Soviet support, and they have now lost that. Meanwhile, Israel has become a nuclear-armed regional superpower.

The CIA estimates Israel's defense budget at \$7.5 billion dollars, while noting that this understates actual defense spending for important items like reserve forces. In contrast, here are the defense budgets of Israel's neighbors from the same study:¹⁷

Syria	\$2.5 billion
Egypt	\$2.5 billion
Jordan	\$404 million
Lebanon	\$271 million
-----	-----
Total	\$5.675 billion

If the United States had not provided Israel with \$1.8 billion in military assistance in 1991, Israeli defense spending would still have exceeded all of its neighbors, including Egypt, with which it is at peace.

Intangible Costs

Israel's disproportionate share of American assistance would

seem to require that it provide exceptional benefits to the United States -- far more than the other countries cited. In reality, the American relationship with Israel entails significant additional costs, not benefits.

American patronage associates the United States with Israeli actions and practices which are antithetical to American values and particularly undesirable in current circumstances. By supporting Israel, the United States incurs the hostility of much of the Arab and Moslem world. We have suffered one oil embargo already, and our future access to petroleum is jeopardized. The Israeli connection could embroil the United States in a war on Israel's behalf, and it already makes American citizens and businesses targets of anti-Israeli terrorists.

Attack and Expansion

Israel has fought and won five wars with its Arab neighbors. The Arabs started two (1948 and 1973). Israel struck first in the other three (1956, 1967, and 1982).¹⁸

As a result of the wars, Israel expanded in size. Starting from the original borders assigned by the United Nations, Israel finished the 1948 war some thirty percent larger. It seized the Sinai in 1956, but strong American pressure forced a withdrawal. In 1967, Israel again took the Sinai, along with the Gaza strip, East Jerusalem, the West Bank of the Jordan River, and the Golan Heights.

Israel has kept control of the conquered territories, except for the Sinai, which it returned to Egypt after Camp David.

Israel annexed East Jerusalem and inserted Jewish settlements into the occupied territories. In spite of repeated American calls to stop the settlements, as of 1992, there were:

- 175 Jewish settlements in the West Bank, with 95,000 settlers,
- 38 in the Golan Heights, with 14,000 settlers,
- 18 in the Gaza strip with 4,000 settlers, and
- 14 Israeli-built Jewish neighborhoods in East Jerusalem, with 132,000 settlers.¹⁹

Some Israelis justify expansion on the grounds that the borders originally assigned by the United Nations were indefensible.

Many Israelis, however, believe that the conquered lands are part of "historic" Israel, given to the Jews by God. How much, if any, Israel might surrender in a peace settlement thus remains uncertain, especially in view of the Jewish settlements.

Democracy and Discrimination

Israel is a democracy of a peculiar sort. Those peculiarities make it far less deserving of American support than would otherwise be the case. Israel is basically a democracy for Jews, not for all inhabitants of the lands under Israeli control. Discrimination against Arabs is prevalent.

The Zionist aim was to create a state controlled by Jews. A unified Palestine in which Jews and Arabs would co-exist was therefore not acceptable because it would have an Arab majority. Hence, the idea of partition -- one state with a Jewish majority and another with an Arab majority. The number of Arabs in the

region and their high birthrate poses constant difficulties in maintaining that Jewish majority.

Under the UN partition plan, Arabs were to constitute almost half of the population in the zone awarded to Israel. During the 1948 war, however, 700,000 of those Arabs fled, leaving only about 125,000 in Israel.²⁰ Eighty-five percent of Israeli Arabs, in other words, became refugees. Some left voluntarily and some as the result of an Israeli campaign which in Bosnia would be called "ethnic cleansing." The current Prime Minister, Yitzhak Rabin "claimed that he acted under orders from (Israeli leader) Ben Gurion to drive Arabs from the territory under Jewish control."²¹

Many of the Palestinians who had fled in 1948 fell again under Israeli jurisdiction as a result of the 1967 war. It brought about one million Arabs under Israeli rule. Unlike the Arabs who remained within Israel proper, those in the occupied territories are not Israeli citizens and have "no effective voice or control over their own government."²² A state of 4.7 million people thus controls one million more, but denies them political rights.

Increasingly restive, the Palestinians of the occupied territories in 1987 rose up against their Israeli rulers in the intifada. This bloody conflict has no end in sight. Sometimes replying to the stones of Arab youths with gunfire, Israeli forces killed 76 Palestinians between August 1992 and January 1993, up from 63 in the previous six months.²³

Even Arabs inside Israel face serious discrimination even though they are Israeli citizens. For example, American academic Don Peretz writes, "During the first decade of Israel's existence, the government expropriated a substantial portion of Israeli Arab agricultural land."²⁴ Israeli Arabs are not permitted to serve in the Armed forces, although veteran's benefits are an important source of social welfare. Furthermore,

- Arab municipalities receive fewer funds from the central government than Jewish towns,
- most land is owned by the Jewish National Fund, which will not rent to non-Jews, and
- most Arab land within Israel has been confiscated by the state.²⁵

Regardless of how long his family has lived in Palestine, the Israeli Arab is a second-class citizen: "Ethnic distinctions between Arabs in Israel and Jews are reinforced by economic difficulties, which place the Arab on a lower social status."²⁶

Nuclear Proliferation and Arms Transfers

The world lives in fear of an Iraqi nuclear weapon, but Israel was the first state to introduce nuclear weapons into the Middle East. It probably attained a nuclear capability in the 1960's.²⁷ In spite of American requests, Israel refused to sign the Nuclear Non-Proliferation Treaty or to permit the International Atomic Energy Agency to inspect its reactor at Dimona.

At a time when nuclear proliferation is one of the most

serious issues on the international agenda, American support for Israel undercuts efforts to dissuade others from seeking the bomb. We acquiesce in Israeli proliferation, but have terminated aid to Pakistan because of its nuclear weapons program.

A double standard carries over to the offensive use of American-supplied weapons without permission. In 1974, Washington cut aid to Turkey because it employed American weapons in Cyprus. Israel, however, has incurred no such penalty for foreign military actions such as dropping American cluster bombs in Lebanon.

Relations with the Arab World

The establishment of Israel was, to understate the case, an irritant to the Arab world. It looked like a neo-colonial attempt to make the Arabs pay for wrongs done to the Jews by the Nazis and other European governments. Subsequent Israeli expansion and discrimination against Palestinians kept the wound open.

By its support for Israel, the United States made itself a party to the dispute. Our identification with Israel helped drive some Arab states to the Soviet side during the Cold War. It fanned and fans anti-Western sentiment and Islamic extremism, while jeopardizing access to petroleum and attracting terrorist attacks.

Oil Prices and Access

The United States suffered an oil embargo and the quadrupling of oil prices in 1973 because of its support for

Israel. Those price increases set off a deep recession.

When the October War broke out, oil was at \$3 a barrel. The petroleum producers and the oil companies were negotiating an increase. When negotiations with the oil companies broke down, the producers unilaterally announced a new price of \$5.11. Outrage at American support for Israel, however, compounded the problem. President Nixon's announcement of a \$2.2 billion aid package for Israel brought a total embargo against the United States and Netherlands in response. By the end of the year, the Organization of Petroleum Exporting Countries set a price of \$11.65 and Americans were waiting in long lines to buy gas.²⁸ The dependence of the United States, Japan, and Western Europe on imported oil has only grown in subsequent years.

Terrorism

American support for Israel associates the United States with terrorism and makes American citizens and businesses terrorist targets. In addition, the United States is drawn into the cycle of attack and retaliation.

Subject to Palestinian terrorist attacks, Israel has replied in kind. In 1981, for example, an Israeli bombing raid on PLO headquarters in downtown Beirut killed over 300 people and wounded over 800.²⁹ The following year, Israeli forces did nothing to stop their Christian Phalange allies from massacring Palestinians of all ages and sexes in Beirut's Sabra and Shatila refugee camps. They lay in a section of Beirut which Israel had just seized in violation of an American-sponsored cease-fire.³⁰

American support for Israel not only associates the United States with Israeli actions but exposes American citizens and companies to terrorist attacks. In 1985, for example, terrorists hijacked a TWA flight in Europe and killed an American passenger. Their aim: release of 700 Shiite prisoners held by Israel.

Six months later Qaddafi's Libyan regime planted a bomb in a Berlin discotheque frequented by American servicemen. Our retaliatory raid on Tripoli killed fifteen people, including Qaddafi's infant daughter. Two American flyers were lost, and Qaddafi retaliated by bombing flight Pan Am 103 just before Christmas in 1989.

Just this year, the bombing of New York's World Trade Center seems related to the Palestinian problem. Yet, there is no intrinsic reason why Palestinian or Libyan terrorists should target Americans other than our extensive support for Israel.

Risk of War

American military personnel have already lost their lives as a result of Arab-Israeli conflicts, and more could do so in the future. During the 1967 war, an Israeli attack on the U.S. Navy ship Liberty cost the lives of 34 men, with 171 wounded. In 1982, a terrorist bomb killed 241 marines trying to restore stability to Beirut after the Israeli invasion in a vain hope that they would be regarded as neutral peace-keepers.

We came dangerously close to a Soviet-American war because of Israeli actions in 1973. Israeli forces kept fighting for three days after their government agreed to a cease-fire brokered

by the United States.³¹ When the Soviet Union prepared to send troops in response to an Egyptian appeal, the United States ordered a worldwide alert, including nuclear forces. Fortunately, the Soviet Union did not overreact or misinterpret our intentions.

Weighing Costs and Benefits

Administration after Administration has declared that support for Israel is one of the foundations of American policy. Nevertheless, the extent of that support is incomprehensible on the basis of U.S. national interests. Those fundamental interests are survival, prosperity, and propagation of American values.

With regard to survival or security, some argue that Israel served as a strategic partner against the Soviet Union. It could also be said, however, that the Arab countries would have made better strategic partners and that it was Western support for Israel which turned many of them toward the Soviet Union in the first place. In any case, the anti-communist strategic rationale for supporting Israel ended with the Cold War.

Israel could theoretically serve as a strategic asset against the Moslem world, but here Israel is part of the problem, not the solution. It would be a mistake to assume that conflict with Islam is unavoidable -- and to abandon efforts to relax tensions. Israel was an embarrassment, not an asset, as the United States led the international coalition during the Gulf Crisis. It could usefully serve neither as a participant nor a

base for operations against Iraq. Continued support for Israel seems far more likely to drag the United States into unwanted and avoidable conflicts than to assist in dealing with our own security problems.

Memories of European colonialism and the strain of modernization will tax relations between the West and Islam for years to come, but those relations are aggravated no end by the Palestinian problem. Continued American partisanship on behalf of Israel will only prolong and exacerbate tensions.

Economically, few would claim that Israel benefits the United States. In fact, Israel is a serious liability. Our aid program is a direct drain on the U.S. Treasury and taxpayer. We have to tax and/or borrow in order to aid Israel, in spite of its military strength and relative prosperity.

Even more important, however, is the continuing danger that Israeli actions will trigger another oil embargo or price increase. It is hard enough to deal with the Organization of Petroleum Exporting Countries without the added emotion produced in Islamic members by the Palestinian issue. The Israeli connection threatens our economic renewal.

Third, we have the U.S. interest in propagating its values. This is the dimension of "shared values" which supporters of Israel often emphasize. In the moral dimension, however, the picture is not black and white, but mixed. For example, Israel has both suffered and committed aggression, both suffered and committed acts of terrorism.

Discrimination against Arabs in Israel, the denial of political rights to Palestinians in the occupied territories, Israeli attacks against its neighbors, and the forcible expansion of the Jewish State in no way accord with American values. The separation of church and state is fundamental to the American system, yet Israel is meant to be a state controlled by people of one faith..

This is not to say that morality is on the side of the Arabs. A moral judge of the situation would find much to dislike on both sides of the conflict. The wrongs and rights are well mixed, and provide no basis for the United States to reward one side or the other.

Finally, it has been argued that the United States should aid Israel because of an "investment trap" or an obligation to continue support once begun. Were this line of reasoning valid, Ford would still be making Edsels and American troops still fighting in Vietnam. The argument suggests that, once made, a commitment is forever. Changed circumstances -- such as the budget deficit, the Israeli nuclear bomb, or Israeli treatment of the Palestinians, -- would have no effect on American policy. No business could survive if it operated on the principle of throwing good money after bad. Successful enterprises constantly evaluate results and cut their losses. The "investment trap" and "moral obligation" arguments, therefore, do not hold water.

Some might extend this argument to suggest that American "credibility" will suffer if we distance ourselves from Israel.

Our disastrous venture in Vietnam was in part motivated by such a fear, and that experience should help guide current policy. Changes in mistaken commitments need not jeopardize the confidence of American allies. Indeed, most allies would welcome a change in this aspect of American policy, which so few of them support.

Changed Circumstances

The international situation has changed in many ways since Harry Truman threw the weight of the United States behind the creation of Israel. Israel has not proven to be the benign neighbor which Truman described to King Saud. It has attacked its neighbors, seized Arab land, and discriminated against the Arabs under Israeli control. In an era of destructive nationalism, such behavior should hardly be rewarded with subsidies from a federal budget in deficit.

Islamic extremism threatens to replace communism as the main international threat to Western interests. It is in America's interest to defuse that confrontation, but Israel's treatment of the Palestinians adds fuel to the fire.

The underdog of 1948 has turned into a regional superpower with nuclear weapons. Its economy is prosperous relative to other recipients of American aid. The Western world's dependence on Arab oil has grown, as have American budget deficits. The Cold War is over. Arab states have lost their Soviet patron and are behaving with increasing responsibility toward Israel. If Israel was ever a strategic asset against communism, that

function is now irrelevant.

The heavy flow of American aid might reasonably have been expected to purchase influence with the Israeli government, but this has not proven to be the case. Israel has repeatedly ignored American requests and American interests. It fought the Rogers Plan in 1970 and the Reagan Plan in 1982 -- both American proposals to end the costly stalemate and bring peace to the Middle East.

The Pollard spy case is another example. In the early 1980's Israel paid an American naval intelligence analyst, Jonathan Pollard, to spy against his government. According to Seymour Hersh, Israel even passed some of Pollard's information to the Soviet Union, with which Prime Minister Shamir was trying to improve relations.³²

An American academic wrote:

"At the heart of U.S.-Israeli relations is a vexing paradox: the more economically and militarily dependent Israel becomes on the United States, the more its seems able to frustrate U.S. policy-makers; conversely, the more assistance and support the United States provides Israel, the less it seems able to affect Israel on issues that it considers important."³³

The United States ends up in the worst of all possible worlds: it is identified with Israel and pays Israel's bills, yet it has minimal control over Israeli actions.

American aid has sometimes been justified on the grounds that unswerving support is essential to give Israel the security it needs in order to take risks for peace. An increased sense of security, in fact, seems only to discourage bargaining with the

Arabs. According to one analyst of the last Israeli elections, "It was U.S. military and financial support that created disincentives for diplomatic change in Israel by suggesting that the perpetuation of the status quo in the occupied territories was cost-free."³⁴ Similarly, a 1991 study by the Congressional Quarterly concluded " Israeli military strength ...now seems to thwart the emergence of an Arab-Israeli settlement...The dominant trend...is to reject compromise on the territories."³⁵

Generous American aid has subsidized intransigence rather than inducing Israel to make peace. Unfortunately, the Clinton Administration has chosen to continue the traditional "blank check" policy, assuring Israel that budget cuts will not affect American aid.

Time for a Change

We have reached the point that George Kennan predicted in 1947: the United States holds major responsibility for maintaining a status quo in the Middle East "fiercely resented" by the Arab world. It is time to admit that continued support for Israel harms American interests. We can not control Israeli actions and should no longer pay the price of association with them. With the budget deficit expected to top \$300 billion dollars this year, we can no longer afford to maintain Israel in the style to which it has become accustomed.

It is time to disengage the United States from Israel -- to move to a neutral stance in the Middle East. It is time to wean Israel from dependence by ending economic assistance. It is time

to put the Middle Eastern arms race into reverse by ending military assistance. Israel should purchase weapons from the United States under the same controls as other nations. We have given Israel a head start: it is up to the Israeli government to take advantage of it.

There are risks -- to Israel. Left to its own devices, Israel could collapse -- but at least the United States would not collapse with it. If necessary, the United States should work with its allies to absorb refugees from a failed experiment.

On the other hand, the Israelis have proven their tenacity. The Zionists fought to establish Israel; the state was not forced on them by the United States or United Nations. Even deprived of a blank check from Washington, Israeli strength might prolong the status quo indefinitely. The United States, however, would no longer suffer from the association.

In the best of circumstances, an independent Israel just might see the wisdom of seeking peace through reconciliation with its Arab neighbors and creation of a Palestinian state. The current peace negotiations provide the opportunity for action if Israel is interested.

A Final Word on Politics

Domestic politics -- in the form of a powerful pro-Israel lobby -- has played a major role in the American relationship with Israel. Support for Israel offers American politicians rewards in terms of votes and financial contributions, whereas opposition carries political penalties. Former Senator Charles

Mathias wrote this of the Israel lobby's power:

With the exception of the Eisenhower Administration, which virtually compelled Israel's withdrawal from the Sinai after the 1956 war, American Presidents, and to an even greater degree Senators and Representatives, have been subjected to recurrent pressures from what has come to be known as the Israeli lobby. For the most part, they have been responsive, and for reasons not always related either to personal convictions or careful reflection on the national interest....³⁶

Can American politicians -- and American supporters of Israel -- reflect carefully upon the American national interest? If they do, I believe they must conclude that our national interests are harmed by siding with Israel and that the nation has better uses for the funds so generously devoted to Israel in the past. We need the courage to change -- before the next oil embargo, terrorist attack, or war does further damage.

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